

Audited Financial Statements of

School District No. 69 (Qualicum)

June 30, 2018

School District No. 69 (Qualicum)

June 30, 2018

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School District No. 69 (Qualicum)

MANAGEMENT REPORT

Version: 7871-7125-5142

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 69 (Qualicum) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

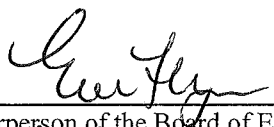
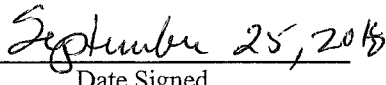
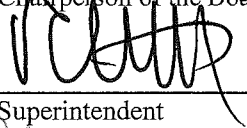
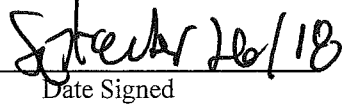

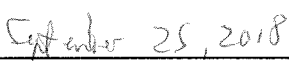
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 69 (Qualicum) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, McGorman MacLean, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 69 (Qualicum) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 69 (Qualicum)

	
Signature of the Chairperson of the Board of Education	Date Signed
	
Signature of the Superintendent	Date Signed
	
Signature of the Secretary Treasurer	Date Signed

INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 69 (Qualicum), and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 69 (Qualicum), which comprise the statement of financial position of as at June 30, 2018, the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District No. 69 (Qualicum) as at June 30, 2018 and the results of its operations, changes in net financial assets (debt) and cash flows for the year then ended in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 2 to the financial statements which describes the basis of accounting and the significant difference between such basis of accounting and Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


CHARTERED PROFESSIONAL ACCOUNTANTS

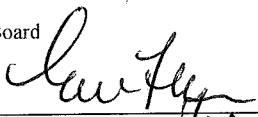
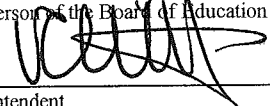
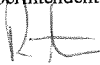
Parksville, Canada
September 25, 2018

School District No. 69 (Qualicum)

Statement 1

Statement of Financial Position

As at June 30, 2018

	2018 Actual \$	2017 Actual \$
Financial Assets		
Cash and Cash Equivalents	15,206,801	13,135,688
Accounts Receivable		
Due from Province - Ministry of Education	30,397	30,397
Other (Note 3)	233,727	325,969
Portfolio Investments	-	89,875
Total Financial Assets	15,470,925	13,581,929
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	3,389,144	3,708,746
Unearned Revenue (Note 5)	2,293,627	1,744,405
Deferred Revenue (Note 6)	575,621	633,306
Deferred Capital Revenue (Note 7)	45,884,157	46,568,035
Employee Future Benefits (Note 8)	5,715,524	5,572,657
Capital Lease Obligations	-	46,958
Total Liabilities	57,858,073	58,274,107
Net Financial Assets (Debt)	(42,387,148)	(44,692,178)
Non-Financial Assets		
Tangible Capital Assets (Note 9, 10)	62,812,930	63,566,142
Prepaid Expenses	38,240	135,898
Total Non-Financial Assets	62,851,170	63,702,040
Accumulated Surplus (Deficit)	20,464,022	19,009,862
Contractual Obligations (Note 11)		
Approved by the Board		
Signature of the Chairperson of the Board of Education		September 25, 2018 Date Signed
Signature of the Superintendent		September 26, 2018 Date Signed
Signature of the Secretary Treasurer		September 25, 2018 Date Signed

School District No. 69 (Qualicum)

Statement 2

Statement of Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	46,617,301	46,593,683	43,271,559
Other	101,450	164,157	116,622
Tuition	3,900,000	3,952,621	3,607,652
Other Revenue	1,640,000	1,496,656	1,771,867
Rentals and Leases	450,000	627,262	515,508
Investment Income	125,000	203,417	127,381
Gain (Loss) on Disposal of Tangible Capital Assets (Note 10)	419,201	419,201	
Amortization of Deferred Capital Revenue	2,207,106	2,207,106	2,168,493
Total Revenue	<u>55,460,058</u>	<u>55,664,103</u>	<u>51,579,082</u>
Expenses (Note 14)			
Instruction	43,078,384	42,049,325	39,992,776
District Administration	1,897,758	1,908,386	1,774,457
Operations and Maintenance	8,202,454	8,445,006	7,809,255
Transportation and Housing	1,939,601	1,807,226	1,819,019
Debt Services			1,086
Total Expense	<u>55,118,197</u>	<u>54,209,943</u>	<u>51,396,593</u>
Surplus (Deficit) for the year	<u>341,861</u>	<u>1,454,160</u>	<u>182,489</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		19,009,862	18,827,373
Accumulated Surplus (Deficit) from Operations, end of year		<u>20,464,022</u>	<u>19,009,862</u>

School District No. 69 (Qualicum)
Statement of Changes in Net Financial Assets (Debt)
Year Ended June 30, 2018

Statement 4

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Surplus (Deficit) for the year	341,861	1,454,160	182,489
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,854,715)	(1,759,784)	(1,321,977)
Amortization of Tangible Capital Assets	2,512,996	2,512,996	2,494,483
Total Effect of change in Tangible Capital Assets	658,281	753,212	1,172,506
Acquisition of Prepaid Expenses		(38,240)	(135,898)
Use of Prepaid Expenses		135,898	89,103
Total Effect of change in Other Non-Financial Assets	-	97,658	(46,795)
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	1,000,142	2,305,030	1,308,200
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		2,305,030	1,308,200
Net Financial Assets (Debt), beginning of year		(44,692,178)	(46,000,378)
Net Financial Assets (Debt), end of year		(42,387,148)	(44,692,178)

School District No. 69 (Qualicum)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2018

	2018 Actual \$	2017 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	1,454,160	182,489
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	92,242	(27,041)
Prepaid Expenses	97,658	(46,795)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(319,602)	345,849
Unearned Revenue	549,222	29,444
Deferred Revenue	(57,685)	23,661
Employee Future Benefits	142,867	142,644
Amortization of Tangible Capital Assets	2,512,996	2,494,483
Amortization of Deferred Capital Revenue	(2,207,106)	(2,168,493)
Services and Supplies purchased with Bylaw Capital	(620,614)	(389,450)
Services and Supplies purchased with Other Provincial Capital	(23,378)	(16,087)
Total Operating Transactions	1,620,760	570,704
Capital Transactions		
Tangible Capital Assets Purchased	(1,759,784)	(1,294,827)
Tangible Capital Assets - Other Provincial		(27,150)
Total Capital Transactions	(1,759,784)	(1,321,977)
Financing Transactions		
Capital Revenue Received	2,167,220	1,693,958
Capital Lease Payments	(46,958)	(31,168)
Total Financing Transactions	2,120,262	1,662,790
Investing Transactions		
Investments in Portfolio Investments	89,875	27,050
Total Investing Transactions	89,875	27,050
Net Increase (Decrease) in Cash and Cash Equivalents	2,071,113	938,567
Cash and Cash Equivalents, beginning of year	13,135,688	12,197,121
Cash and Cash Equivalents, end of year	15,206,801	13,135,688
Cash and Cash Equivalents, end of year, is made up of:		
Cash	15,206,801	13,135,688
	15,206,801	13,135,688

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 1 AUTHORITY AND PURPOSE

The School District, established in 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 69 (Qualicum)", and operates as "School District No. 69 (Qualicum)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. School District No. 69 (Qualicum) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(e) and 2(j).

In November 2011, the Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in Notes 2(e) and 2(j), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of tangible capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

Year ended June 30, 2017 - increase in annual surplus by \$880,072

June 30, 2017 - increase in accumulated surplus and decrease in deferred contributions by \$46,568,035

Year ended June 30, 2018 - decrease in annual surplus by \$683,878

June 30, 2018 - increase in accumulated surplus and decrease in deferred contributions by \$45,884,157

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by the Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2(j).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2(a) for the impact of this policy on these financial statements.

f) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2016 and projected to March 31, 2019. The next valuation will be performed at March 31, 2019 for use at June 30, 2019. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts directly related to acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise.
- Estimated useful life is as follows:

Buildings	40 years
Furniture and Equipment	10 years
Vehicles	10 years
Computer Hardware	5 years

h) Prepaid Expenses

Amounts for maintenance contracts and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

i) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 15 -- Accumulated Surplus).

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, when the amounts are considered to be collectible and can be reasonably estimated.

Contributions received or where eligibility criteria have been met, are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased.
- Contributions restricted for tangible capital assets acquisitions, other than sites, are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets, other than sites, are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2(a) for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

k) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Expenditures (continued)

Categories of Salaries

- Principals and Vice-Principals employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals' and Vice-Principals' salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

l) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract. Financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these instruments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition of a financial asset or a financial liability.

m) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2(a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2018	2017
Due from Federal Government	\$ 58,088	\$ 55,899
Mount Arrowsmith Teachers Association	23,898	46,165
CUPE Local 3570	19,643	-
Parksville Civic & Tech Centre	25,385	-
Zibo No 11 th High School	-	60,000
Other	106,713	163,905
	<u>\$ 233,727</u>	<u>\$ 325,969</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2018	2017
Trades payable	\$ 624,259	\$ 988,348
Salaries and benefits payable	2,419,087	2,375,893
Accrued vacation pay	203,765	221,031
Other	142,033	123,474
	<u>\$ 3,389,144</u>	<u>\$ 3,708,746</u>

NOTE 5 UNEARNED REVENUE

	2018	2017
Tuition fees	\$ 2,286,627	\$ 1,739,655
Transportation	7,000	4,750
	<u>\$ 2,293,627</u>	<u>\$ 1,744,405</u>

NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by the Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

NOTE 7 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred revenue is included in Schedule 4C and 4D.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and, accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	2018	2017
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 5,763,263	\$ 5,867,166
Service Cost	394,342	395,555
Interest Cost	161,854	149,995
Benefit Payments	(413,766)	(539,300)
Actuarial Gain	(109,206)	(110,153)
Accrued Benefit Obligation – March 31	<u>\$ 5,796,487</u>	<u>\$ 5,763,263</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 5,796,487	\$ 5,763,263
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(5,796,487)	(5,763,263)
Employer Contributions After Measurement Date	143,248	77,418
Benefits Expense After Measurement Date	(147,173)	(139,049)
Unamortized Net Actuarial Loss	84,888	252,237
Accrued Benefit Liability – June 30	<u>\$ (5,715,524)</u>	<u>\$ (5,572,657)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 5,572,657	\$ 5,430,013
Net expense for fiscal year	622,463	617,261
Employer Contributions	(479,596)	(474,616)
Accrued Benefit Liability – June 30	<u>\$ 5,715,524</u>	<u>\$ 5,572,657</u>

Components of Net Benefit Expense		
Service Cost	\$ 402,202	\$ 395,252
Interest Cost	162,118	152,959
Amortization of Net Actuarial Loss	58,143	69,050
Net Benefit Expense	<u>\$ 622,463</u>	<u>\$ 617,261</u>

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

	2018	2017
Discount Rate – April 1	2.75%	2.50%
Discount Rate – March 31	2.75%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSLS – March 31	10.1	10.1

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 9 TANGIBLE CAPITAL ASSETS

Net Book Value:

	June 30, 2018	June 30, 2017
Sites	\$ 11,929,778	\$ 11,929,778
Buildings	48,142,912	49,445,344
Furniture and Equipment	528,639	526,067
Vehicles	2,163,531	1,630,588
Computer Hardware	48,070	34,365
Total	\$ 62,812,930	\$ 63,566,142

June 30, 2018

Cost:	Opening Balance	Additions	Disposals	Transfers (WIP)	Total 2018
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	101,226,801	871,601	-	-	102,098,402
Furniture and Equipment	913,669	93,939	129,659	-	877,949
Vehicles	2,315,702	764,513	48,482	-	3,031,733
Computer Hardware	80,131	29,731	14,753	-	95,109
Total	\$ 116,466,081	\$ 1,759,784	\$ 192,894	\$ -	\$ 118,032,971

Accumulated Amortization:	Opening Balance	Additions	Disposals	Total 2018
Buildings	\$ 51,781,457	\$ 2,174,033	\$ -	\$ 53,955,490
Furniture and Equipment	387,602	91,367	129,659	349,310
Vehicles	685,114	231,570	48,482	868,202
Computer Hardware	45,766	16,026	14,753	47,039
Total	\$ 52,899,939	\$ 2,512,996	\$ 192,894	\$ 55,220,041

June 30, 2017

Cost:	Opening Balance	Additions	Disposals	Transfers (WIP)	Total 2017
Sites	\$ 11,929,778	\$ -	\$ -	\$ -	\$ 11,929,778
Buildings	100,274,181	952,620	-	-	101,226,801
Furniture and Equipment	904,106	62,653	53,090	-	913,669
Vehicles	2,221,144	306,704	212,146	-	2,315,702
Computer Hardware	101,180	-	21,049	-	80,131
Total	\$ 115,430,389	\$ 1,321,977	\$ 286,285	\$ -	\$116,466,081

Accumulated Amortization:	Opening Balance	Additions	Disposals	Total 2017
Buildings	\$ 49,619,735	\$ 2,161,722	\$ -	\$ 51,781,457
Furniture and Equipment	350,282	90,410	53,090	387,602
Vehicles	675,145	222,115	212,146	685,114
Computer Hardware	46,579	20,236	21,049	45,766
Total	\$ 50,691,741	\$ 2,494,483	\$ 286,285	\$ 52,899,939

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 10 DISPOSAL OF SITES AND BUILDINGS

During the year the District sold land at Galvin Place, Qualicum Beach for \$148,315 and Grafton Avenue, Errington for \$270,886. The original costs of both parcels of land were nominal. As no funding was provided by the Ministry for the purchase of these properties, the total proceeds of \$419,201 were allocated to Local Capital.

NOTE 11 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The School District, in conducting its usual business activities, is involved in legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans (the "plans"). The board of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2016, the Teachers' Pension Plan has about 45,000 active members and approximately 37,000 retired members. As at December 31, 2016, the Municipal Pension Plan has about 193,000 active members, including approximately 24,000 from School Districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2014 indicated a \$449 million surplus for basic pension benefits on a going concern basis. As a result of the 2014 basic account actuarial surplus and pursuant to the joint trustee agreement, the employer basic contribution rate decreased.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The School District paid \$4,129,673 for employer contributions to these plans in the year ended June 30, 2018 (2017 - \$3,883,506).

The next valuation for the Teachers' Pension Plan was as at December 31, 2017, with results available in 2018. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available in 2019.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 12 EMPLOYEE PENSION PLANS (continued)

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

NOTE 13 ASSET RETIREMENT OBLIGATION

Certain schools in the School District contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of future removal costs cannot be reasonably estimated due to unknown timelines.

NOTE 14 EXPENSE BY OBJECT

	2018	2017
Salaries and benefits	\$ 42,610,261	\$ 40,460,282
Services and supplies	9,086,686	8,440,742
Amortization	2,512,996	2,494,483
Interest	-	1,086
	<u>\$ 54,209,943</u>	<u>\$ 51,396,593</u>

NOTE 15 ACCUMULATED SURPLUS

Accumulated surplus consists of:

	2018	2017
Invested in tangible capital assets	\$ 17,424,713	\$ 17,442,869
Local capital surplus	905,655	300,000
Total capital surplus	18,330,368	17,742,869
Operating surplus	2,133,654	1,266,993
	<u>\$ 20,464,022</u>	<u>\$ 19,009,862</u>

Interfund transfers between the operating, special projects and capital funds for the year ended June 30, 2018, were as follows:

- Operating funds were used to fund Local Capital (\$300,000)
- Capital assets were purchased with Operating funds (\$295,366)

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 15 ACCUMULATED SURPLUS (continued)

The operating surplus has been internally restricted (appropriated) for:

	2018	2017
School budgets	\$ 98,120	\$ 119,996
Capital maintenance	350,000	290,000
Educational Programs	183,077	109,502
ERP System	150,000	-
Photocopier and Printer Program	250,000	-
Student Learning Grant	-	74,432
Budgeted Allocation of Surplus	292,619	280,958
	1,323,816	874,888
Contingency reserve	809,838	-
Internally restricted	2,133,654	874,888
Unrestricted operating surplus	-	392,105
Total operating surplus	\$ 2,133,654	\$ 1,266,993

NOTE 16 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for the rental of facilities. The following summarizes the contractual rights of the School District for future assets:

	2019	2020	2021	2022
Future rental revenue	\$ 664,758	\$ 252,263	\$ 182,813	\$ 182,813

NOTE 17 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 18 BUDGET FIGURES

The budget figures included in the financial statements are not audited. The budget figures data presented in these financial statements is based upon the 2017/18 amended annual budget adopted by the Board on January 23, 2018. The following chart compares the original annual budget bylaw approved April 25, 2017 to the amended annual budget bylaw reported in these financial statements.

	2018 Amended Annual Budget	2018 Annual Budget
Revenues		
Provincial Grants		
Ministry of Education	\$ 48,824,407	\$ 46,621,388
Other Provincial Revenues	101,450	101,450
Tuition	3,900,000	3,500,000
Other Revenue	1,640,000	1,435,000
Rentals and Leases	450,000	450,000
Investment Income	125,000	125,000
Gain on Disposal of Property	419,201	-
Total Revenue	<u>55,460,058</u>	<u>52,232,838</u>
Expenses		
Instruction	43,078,384	40,930,190
District Administration	1,897,758	1,881,964
Operations and Maintenance	8,202,454	7,735,343
Transportation and Housing	1,939,601	1,905,641
Debt Services	-	1,624
Total Expenses	<u>55,118,197</u>	<u>52,454,762</u>
Net Revenue (Expenses)	341,860	(221,924)
 Budgeted Allocation of Surplus	 -	 280,958
Budgeted Surplus for the year	<u>\$ 341,861</u>	<u>\$ 59,034</u>

NOTE 19 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

SCHOOL DISTRICT NO. 69 (QUALICUM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 20 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash and cash equivalents, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash and cash equivalents as they are placed in recognized British Columbia institutions and the School District invests solely in the Central Deposit Program with the Ministry of Finance.

b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in the Central Deposit Program with the Ministry of Finance.

c) Liquidity risk:

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

School District No. 69 (Qualicum)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2018

	Operating Fund \$	Special Purpose Fund \$	Capital Fund \$	2018 Actual \$	2017 Actual \$
Accumulated Surplus (Deficit), beginning of year	1,266,993		17,742,869	19,009,862	18,827,373
Changes for the year					
Surplus (Deficit) for the year	1,442,027		12,133	1,454,160	182,489
Interfund Transfers					
Tangible Capital Assets Purchased	(275,366)		275,366	-	
Local Capital	(300,000)		300,000	-	
Net Changes for the year	866,661	-	587,499	1,454,160	182,489
Accumulated Surplus (Deficit), end of year - Statement 2	2,133,654	-	18,330,368	20,464,022	19,009,862

School District No. 69 (Qualicum)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	41,890,590	42,090,288	40,884,302
Other	101,450	140,779	100,535
Tuition	3,900,000	3,952,621	3,607,652
Other Revenue	135,000	149,497	251,012
Rentals and Leases	450,000	627,262	515,508
Investment Income	125,000	191,037	127,381
Total Revenue	<u>46,602,040</u>	<u>47,151,484</u>	<u>45,486,390</u>
Expenses			
Instruction	37,546,019	37,018,731	36,690,429
District Administration	1,897,758	1,908,386	1,774,457
Operations and Maintenance	5,081,682	5,206,684	4,639,327
Transportation and Housing	1,708,031	1,575,656	1,596,904
Total Expense	<u>46,233,490</u>	<u>45,709,457</u>	<u>44,701,117</u>
Operating Surplus (Deficit) for the year	<u>368,550</u>	<u>1,442,027</u>	<u>785,273</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(368,550)	(275,366)	(9,054)
Local Capital		(300,000)	(482,128)
Other			(32,254)
Total Net Transfers	<u>(368,550)</u>	<u>(575,366)</u>	<u>(523,436)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>866,661</u>	<u>261,837</u>
Operating Surplus (Deficit), beginning of year		1,266,993	1,005,156
Operating Surplus (Deficit), end of year		<u>2,133,654</u>	<u>1,266,993</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 15)		2,133,654	874,888
Unrestricted			392,105
Total Operating Surplus (Deficit), end of year		<u>2,133,654</u>	<u>1,266,993</u>

School District No. 69 (Qualicum)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	40,270,810	40,346,607	39,202,795
Other Ministry of Education Grants			
Pay Equity	936,176	936,176	936,176
Funding for Graduated Adults		4,618	11,701
Transportation Supplement	426,341	426,341	426,341
Economic Stability Dividend		25,226	22,231
Return of Administrative Savings	197,263	197,263	
Carbon Tax Grant	60,000	55,272	51,074
Student Learning Grant			208,297
FSA Monitoring		8,187	8,187
Shoulder Tappers		17,079	17,500
Benefit Funding		34,569	
SRG3 Assessments		38,950	
Total Provincial Grants - Ministry of Education	41,890,590	42,090,288	40,884,302
Provincial Grants - Other	101,450	140,779	100,535
Tuition			
International and Out of Province Students	3,900,000	3,952,621	3,607,652
Total Tuition	3,900,000	3,952,621	3,607,652
Other Revenues			
Miscellaneous			
Transportation revenue	50,000	52,730	44,930
Miscellaneous	80,000	89,548	150,859
Other grants			44,026
Workshop fees			4,115
Pcard Dividend	5,000	7,219	7,082
Total Other Revenue	135,000	149,497	251,012
Rentals and Leases	450,000	627,262	515,508
Investment Income	125,000	191,037	127,381
Total Operating Revenue	46,602,040	47,151,484	45,486,390

School District No. 69 (Qualicum)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Salaries			
Teachers	17,861,732	17,548,271	17,740,776
Principals and Vice Principals	2,721,611	2,752,423	2,615,952
Educational Assistants	3,397,323	3,034,138	3,121,242
Support Staff	4,700,989	4,671,567	4,410,934
Other Professionals	1,396,784	1,446,325	1,335,329
Substitutes	1,393,576	1,638,698	1,340,769
Total Salaries	31,472,015	31,091,422	30,565,002
Employee Benefits	8,369,427	7,981,178	8,180,308
Total Salaries and Benefits	39,841,442	39,072,600	38,745,310
Services and Supplies			
Services	2,897,058	3,195,774	2,445,394
Student Transportation	1,000	-	-
Professional Development and Travel	472,338	534,557	607,738
Rentals and Leases	5,000	4,407	4,146
Dues and Fees	50,450	69,944	70,483
Insurance	174,000	134,173	155,642
Supplies	1,800,702	1,756,799	1,712,523
Utilities	991,500	941,203	959,881
Total Services and Supplies	6,392,048	6,636,857	5,955,807
Total Operating Expense	46,233,490	45,709,457	44,701,117

School District No. 69 (Qualicum)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

	Teachers Salaries \$	Principals and Vice Principals Salaries \$	Educational Assistants Salaries \$	Support Staff Salaries \$	Other Professionals Salaries \$	Substitutes Salaries \$	Total Salaries \$
1 Instruction							
1.02 Regular Instruction	14,314,955	499,987		10,917		1,082,741	15,908,600
1.03 Career Programs	196,254			39,461		3,861	239,576
1.07 Library Services	388,303			232,330		6,513	627,146
1.08 Counselling	711,709	74,519					786,228
1.10 Special Education	1,664,392	168,322	2,775,274	46,900	22,124	246,394	4,923,406
1.30 English Language Learning	57,161						57,161
1.31 Aboriginal Education	36,455	108,995	258,864	4,646			408,960
1.41 School Administration		1,684,049		970,517		32,928	2,687,494
1.61 Continuing Education							-
1.62 International and Out of Province Students	179,042	216,551		26,415	174,445		596,453
1.64 Other					33,830		33,830
Total Function 1	17,548,271	2,752,423	3,034,138	1,331,186	230,399	1,372,437	26,268,854
4 District Administration							
4.11 Educational Administration					376,349		376,349
4.40 School District Governance					86,162		86,162
4.41 Business Administration				285,663	486,641	404	772,708
Total Function 4	-	-	-	285,663	949,152	404	1,235,219
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				53,388	234,788		288,176
5.50 Maintenance Operations				1,967,416		158,626	2,126,042
5.52 Maintenance of Grounds				174,836			174,836
5.56 Utilities							-
Total Function 5	-	-	-	2,195,640	234,788	158,626	2,589,054
7 Transportation and Housing							
7.41 Transportation and Housing Administration						318	84,947
7.70 Student Transportation				52,643	31,986		84,629
7.73 Housing				806,435		106,913	913,348
Total Function 7	-	-	-	859,078	31,986	107,231	998,295
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	17,548,271	2,752,423	3,034,138	4,671,567	1,446,325	1,638,698	31,091,422

School District No. 69 (Qualicum)

Operating Expense by Function, Program and Object

Year Ended June 30, 2018

Schedule 2C (Unaudited)

	Total Salaries \$	Employee Benefits \$	Total Salaries and Benefits \$	Services and Supplies \$	2018 Actual \$	2018 Budget \$	2017 Actual \$
1 Instruction							
1.02 Regular Instruction	15,908,600	4,284,483	20,193,083	1,014,914	21,207,997	21,024,264	20,901,771
1.03 Career Programs	239,576	59,002	298,578	491,364	789,942	733,108	746,153
1.07 Library Services	627,146	170,735	797,881	19,999	817,880	809,678	825,859
1.08 Counselling	786,228	199,458	985,686		985,686	986,822	574,022
1.10 Special Education	4,923,406	1,262,505	6,185,911	61,634	6,247,545	6,897,994	6,769,696
1.30 English Language Learning	57,161	17,889	75,050		75,050	73,087	175,534
1.31 Aboriginal Education	408,960	93,543	502,503	77,087	579,590	579,590	535,360
1.41 School Administration	2,687,494	656,291	3,343,785	59,424	3,403,209	3,407,391	3,354,702
1.61 Continuing Education	-	-	-	-	-	-	27,183
1.62 International and Out of Province Students	596,453	161,632	758,085	2,111,302	2,869,387	2,992,230	2,736,105
1.64 Other	33,830	8,615	42,445		42,445	41,855	44,044
Total Function 1	26,268,854	6,914,153	33,183,007	3,835,724	37,018,731	37,546,019	36,690,429
4 District Administration							
4.11 Educational Administration	376,349	88,081	464,430	61,837	526,267	520,015	492,203
4.40 School District Governance	86,162	3,662	89,824	83,595	173,419	179,706	174,920
4.41 Business Administration	772,708	156,634	929,342	279,358	1,208,700	1,198,037	1,107,334
Total Function 4	1,235,219	248,377	1,483,596	424,790	1,908,386	1,897,758	1,774,457
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	288,176	56,013	344,189	219,910	564,099	511,531	551,168
5.50 Maintenance Operations	2,126,042	479,433	2,605,475	730,226	3,335,701	3,142,488	2,931,780
5.52 Maintenance of Grounds	174,836	35,197	210,033	53,932	263,965	286,163	196,498
5.56 Utilities	-	-	-	1,042,919	1,042,919	1,141,500	959,881
Total Function 5	2,589,054	570,643	3,159,697	2,046,987	5,206,684	5,081,682	4,639,327
7 Transportation and Housing							
7.41 Transportation and Housing Administration	84,947	16,918	101,865	5,646	107,511	152,746	139,288
7.70 Student Transportation	913,348	231,087	1,144,435	312,160	1,456,595	1,531,285	1,443,616
7.73 Housing	-	-	-	11,550	11,550	24,000	14,000
Total Function 7	998,295	248,005	1,246,300	329,356	1,575,656	1,708,031	1,596,904
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	31,091,422	7,981,178	39,072,600	6,636,857	45,709,457	46,233,490	44,701,117

School District No. 69 (Qualicum)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	4,226,711	3,882,781	1,997,807
Other Revenue	1,505,000	1,347,159	1,520,855
Total Revenue	<u>5,731,711</u>	<u>5,229,940</u>	<u>3,518,662</u>
Expenses			
Instruction	5,532,365	5,030,594	3,302,347
Operations and Maintenance	199,346	199,346	216,315
Total Expense	<u>5,731,711</u>	<u>5,229,940</u>	<u>3,518,662</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 69 (Qualicum)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2018

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education
Other

Less: Allocated to Revenue

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Other Revenue

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	Service Delivery Transformation	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Coding and Curriculum Implementation
\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	25,000	562,489	-	-	-	-	45,817
199,346	158,866			96,000	19,600	101,323	368,340	-
199,346	158,866	-	1,315,700	96,000	19,600	101,323	368,340	-
199,346	158,866	-	1,347,159	96,000	19,600	101,323	368,340	40,817
-	-	25,000	531,030	-	-	-	-	5,000
199,346	158,866	-	1,347,159	96,000	19,600	101,323	368,340	40,817
153,580	125,091					18,154	34,150	5,265
153,580	125,091	-	-	-	-	18,154	260,795	5,265
28,797	33,775					3,860	54,855	
16,969						79,309	52,690	35,552
199,346	158,866	-	1,347,159	96,000	19,600	101,323	368,340	40,817
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 69 (Qualicum)
 Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2018

Deferred Revenue, beginning of year					
Add: Restricted Grants					
Provincial Grants - Ministry of Education	493,335	2,419,745			3,856,555
Other					1,315,700
Less: Allocated to Revenue	493,335	2,419,745			5,172,255
Deferred Revenue, end of year	493,335	2,405,154			5,229,940
	-	14,591			575,621
Revenues					
Provincial Grants - Ministry of Education	493,335	2,405,154			3,882,781
Other Revenue					1,347,159
	493,335	2,405,154			5,229,940
Expenses					
Salaries					
Teachers		1,931,441			1,954,860
Principals and Vice Principals					34,150
Educational Assistants					351,736
Support Staff	337,715				491,295
	337,715	1,931,441			2,832,041
Employee Benefits	110,620	473,713			705,620
Services and Supplies	45,000				1,692,279
	493,335	2,405,154			5,229,940
Net Revenue (Expense) before Interfund Transfers	-	-			-
Interfund Transfers					
	-	-			-
Net Revenue (Expense)	-	-			-

School District No. 69 (Qualicum)

Schedule of Capital Operations

Year Ended June 30, 2018

Schedule 4 (Unaudited)

	2018 Budget	2018 Actual		2017 Actual
		Invested in Tangible Capital Assets	Local Capital	
	\$	\$	\$	\$
Revenues				
Provincial Grants				
Ministry of Education	500,000	620,614		389,450
Other		23,378		16,087
Investment Income			12,380	12,380
Gain (Loss) on Disposal of Tangible Capital Assets	419,201	419,201		419,201
Amortization of Deferred Capital Revenue	2,207,106	2,207,106		2,168,493
Total Revenue	<u>3,126,307</u>	<u>3,270,299</u>	<u>12,380</u>	<u>2,574,030</u>
Expenses				
Operations and Maintenance	640,000	643,992	113,558	681,245
Amortization of Tangible Capital Assets				
Operations and Maintenance	2,281,426	2,281,426		2,272,368
Transportation and Housing	231,570	231,570		222,115
Debt Services				
Capital Lease Interest	-	-	-	1,086
Total Expense	<u>3,152,996</u>	<u>3,156,988</u>	<u>113,558</u>	<u>3,176,814</u>
Capital Surplus (Deficit) for the year	<u>(26,689)</u>	<u>113,311</u>	<u>(101,178)</u>	<u>(602,784)</u>
Net Transfers (to) from other funds				
Tangible Capital Assets Purchased	368,550	275,366		9,054
Local Capital			300,000	482,128
Capital Lease Payment	-	-	-	32,254
Total Net Transfers	<u>368,550</u>	<u>275,366</u>	<u>300,000</u>	<u>523,436</u>
Other Adjustments to Fund Balances				
District Portion of Proceeds on Disposal		(419,201)	419,201	-
Tangible Capital Assets Purchased from Local Capital		12,368	(12,368)	-
Total Other Adjustments to Fund Balances		<u>(406,833)</u>	<u>406,833</u>	<u>-</u>
Total Capital Surplus (Deficit) for the year	<u>341,861</u>	<u>(18,156)</u>	<u>605,655</u>	<u>(79,348)</u>
Capital Surplus (Deficit), beginning of year		17,442,869	300,000	17,822,217
Capital Surplus (Deficit), end of year		<u>17,424,713</u>	<u>905,655</u>	<u>17,742,869</u>

School District No. 69 (Qualicum)

Tangible Capital Assets

Year Ended June 30, 2018

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	11,929,778	101,226,801	913,669	2,315,702	-	80,131	116,466,081
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		855,040	24,083	558,350			1,437,473
Deferred Capital Revenue - Other		16,561	18,016				34,577
Operating Fund			39,472	206,163		29,731	275,366
Local Capital			12,368				12,368
Decrease:							
Deemed Disposals		871,601	93,939	764,513	-	29,731	1,759,784
Cost, end of year							
Work in Progress, end of year	-	-	129,659	48,482	-	14,753	192,894
Cost and Work in Progress, end of year	11,929,778	102,098,402	877,949	3,031,733	-	95,109	118,032,971
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year		51,781,457	387,602	685,114		45,766	52,899,939
Decrease:							
Deemed Disposals		2,174,033	91,367	231,570		16,026	2,512,996
Accumulated Amortization, end of year							
		-	129,659	48,482		14,753	192,894
		53,955,490	129,659	48,482	-	14,753	192,894
			349,310	868,202	-	47,039	55,220,041
Tangible Capital Assets - Net	11,929,778	48,142,912	528,639	2,163,531	-	48,070	62,812,930

School District No. 69 (Qualicum)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2018

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	45,080,025	913,107	83,182	46,076,314
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,437,473	34,577		1,472,050
	1,437,473	34,577	-	1,472,050
Decrease:				
Amortization of Deferred Capital Revenue	2,165,654	31,866	9,586	2,207,106
	2,165,654	31,866	9,586	2,207,106
Net Changes for the Year	(728,181)	2,711	(9,586)	(735,056)
Deferred Capital Revenue, end of year	44,351,844	915,818	73,596	45,341,258
 Work in Progress, beginning of year				-
 Changes for the Year				
Net Changes for the Year	-	-	-	-
 Work in Progress, end of year				-
Total Deferred Capital Revenue, end of year	44,351,844	915,818	73,596	45,341,258

School District No. 69 (Qualicum)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2018

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	125,910	150,972	23,803	191,036	-	491,721
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,139,250		17,591			2,139,250
Provincial Grants - Other	3,784	2,631		3,964		17,591
Investment Income	2,143,034	2,631	17,591	3,964	-	10,379
						2,167,220
Decrease:						
Transferred to DCR - Capital Additions	1,437,473	16,561	18,016			1,472,050
Purchase of Services and Supplies	588,849	31,765	23,378			643,992
	2,026,322	48,326	41,394	-	-	2,116,042
Net Changes for the Year	116,712	(45,695)	(23,803)	3,964	-	51,178
Balance, end of year	242,622	105,277	-	195,000	-	542,899